

04-29-1999



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Docket No.:

0472.00036 & 37

Tab settings

To the Honorable Commissioner of Patents

101023139

attached original documents or copy thereof.

med 4.15.99

1. Name of conveying party(ies): APR 15 MI 9: 25

BFM Transport Dynamics Corporation
OPR/FINANCE

- Individual(s)
- General Partnership
- Corporation-State Delaware
- Other

- Association
- Limited Partnership

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Asset purchase
- Merger
- Change of Name

Execution Date: October 26, 1992

2. Name and address of receiving party(ies):

Name: RBC Transport Dynamics Corporation

Internal Address: 3131 Segerstrom Avenue

Street Address:

City: Santa Ana State: CA ZIP: 92704

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

781,731
703,508

Additional numbers Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Lisa M. DuRoss

Internal Address: 30500 Northwestern Hwy., Suite 410

Street Address:

City: Farmington Hills, State: MI ZIP: 48334

6. Total number of applications and registrations involved:.....

2

7. Total fee (37 CFR 3.41):.....\$ \$65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

11-1449

04/26/1999 JSHARZZ 0000037 781731

DO NOT USE THIS SPACE

01 FC:481
02 FC:482

40.00 OP
25.00 OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Lisa M. DuRoss

April 12, 1999

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and

31

TRADEMARK

REEL: 1894 FRAME: 0222

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of October 26, 1992, by and among BFM AEROSPACE CORPORATION, a Delaware corporation ("BFM"), BFM TRANSPORT DYNAMICS CORPORATION, a California corporation ("TDC"), RBC TRANSPORT DYNAMICS CORPORATION, a Delaware corporation ("Buyer"), and ROLLER BEARING HOLDING COMPANY, INC., a Delaware corporation ("RBC").

R E C I T A L S:

A. TDC manufactures and sells plain bearings, primarily self-lubricating types, used in various aerospace and industrial applications. The business of TDC is hereinafter referred to as the "Business."

B. TDC desires to sell to Buyer, and Buyer desires to purchase from TDC, substantially all of the assets of TDC, upon the terms and subject to the conditions set forth herein (all capitalized terms used herein without definition shall have the meanings assigned to them in Section 7 hereof).

C. BFM is the owner of all of the issued and outstanding capital stock of TDC.

D. RBC is the owner of all of the issued and outstanding capital stock of Roller Bearing Company of America, Inc., a Delaware corporation ("Roller Bearing"). Roller Bearing is the owner of all of the issued and outstanding capital stock of Buyer.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Acquisition.

1.1. Purchase and Sale; Assumption of Liabilities.

(a) Subject to the terms and conditions contained in this Agreement, on the date hereof, TDC shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept from TDC, all of the assets, properties, rights, privileges, claims and contracts of every kind and nature owned by TDC and used by TDC in the operation of the Business as of the date hereof (the "Assets"), free and clear of all Encumbrances other than Permitted Encumbrances, and including, without limitation, the assets described

below, other than the assets specifically identified in Schedule 1.1(a) attached hereto (the "Excluded Assets"):

(i) **Cash.** All of the cash on hand or in bank or in other accounts of TDC.

(ii) **Accounts Receivable.** All trade accounts receivable and other receivables.

(iii) **Inventory.** All of the inventories of raw materials, work-in-process, finished products, scraps and rejects, spare parts and supplies, including, without limitation, the items set forth in Schedule 1.1(a)(iii) attached hereto, except for the items sold after the date of such schedule in the ordinary course of business of TDC.

(iv) **Machinery and Equipment.** All machinery, apparatus, commercial tooling, equipment and trade fixtures, including, without limitation, the items set forth in Schedule 1.1(a)(iv) attached hereto.

(v) **Office Furniture and Fixtures.** All office furniture and fixtures, including, without limitation, the items set forth in Schedule 1.1(a)(iv) attached hereto.

(vi) **Leasehold Improvements.** All of TDC's leasehold improvements located at the premises occupied by TDC at 3131 West Segerstrom Avenue, Santa Ana, California 92702 (the "Premises"), including, without limitation, the items set forth in Schedule 1.1(a)(vi) attached hereto.

(vii) **Goodwill.** The goodwill incident to the Business.

(viii) **Records and Other Information.** All records of the Business, including, without limitation, property, production, engineering, contract and accounting records, sales data and records, customer lists and other information relating to customers, catalogs, brochures, suppliers' names, mailing lists and any photographic and advertising materials.

(ix) **Contracts.** All rights in, to and under all purchase and sales orders and commitments, personal property leases and other agreements made in the ordinary course of business, including, without limitation, those set forth in Schedule 1.1(a)(ix) attached hereto (the "Contracts");

provided, however, that to the extent such Contracts are Government Contracts (as hereinafter defined) only to the extent the same are assignable.

(x) **Intellectual Property.** All right, title and interest in and to all copyrights, service marks, trademarks, logos, trade names (including the name "BFM Transport Dynamics Corporation"), patents, patent applications, licenses (including patent licenses), royalty rights and inventions, processes, know-how, formulae, trade secrets, compositions, designs, drawings, specifications, patterns, blueprints, plans, files, notebooks and records relating to research, engineering and development activities, production data and shop rights, including, without limitation, the items set forth in Schedule 1.1(a)(x) attached hereto (the "Patent and Trademark Rights").

(b) Buyer shall assume, perform and discharge only the liabilities and obligations identified in Schedule 1.1(b) and only to the extent set forth therein (the "Assumed Liabilities"). Except as provided in Schedule 1.1(b), or as set forth in Section 5.1 or 6.4 hereof, Buyer shall not purchase, assume or have any liability whatsoever with regard to any Employee Benefit Plan (as such term is hereinafter defined).

1.2. Purchase Price.

(a) The purchase price for the Assets shall consist of (i) \$ _____, payable by Buyer to TDC at the Closing in immediately available funds, (ii) six thousand (6,000) shares of preferred stock, \$.01 par value, of RBC issued to TDC, having the rights, preferences and privileges set forth in the Certificate of Designations (the "Certificate of Designations") attached hereto as Exhibit 1.2(a) (the "RBC Preferred Shares"), and (iii) the assumption of the Assumed Liabilities.

(b) The purchase price shall be allocated among the Assets as defined herein and the Assets as defined in that certain Asset Purchase Agreement, dated as of the date hereof, by and among BFM, Ground Support, Inc., a California corporation, Buyer and RBC, based on a schedule to be prepared by Buyer and approved by TDC, which approval shall not be unreasonably withheld, and TDC and Buyer agree to report the purchase and sale of the Assets in a manner consistent with such allocation of purchase price.

1.3. **The Closing.** The closing of the sale and purchase of the Assets (the "Closing") shall take place at the offices of Latham & Watkins (counsel to RBC's acquisition financing lender, Heller Financial, Inc.), 633 West Fifth Street, Suite 4000, Los Angeles, California, at 9:00 a.m. (local time) on the date hereof.

1.4. **Deliveries by TDC at the Closing.** At the Closing, TDC shall deliver the following to Buyer:

(a) A Bill of Sale in substantially the form attached hereto as Exhibit 1.4(a);

(b) A Standard Industrial Lease - Net (the "Lease") executed by TD Land, Inc., in substantially the form attached hereto as Exhibit 1.4(b);

(c) An opinion of O'Melveny & Myers ("OMM"), special counsel to TDC, in substantially the form of Exhibit 1.4(c) attached hereto, dated as of the date hereof and addressed to Buyer and a letter from OMM as to reliance thereon addressed to Heller Financial, Inc.;

(d) UCC-2 release forms, executed by Wells Fargo Bank, N.A. ("Wells Fargo"), pursuant to which Wells Fargo shall release its security interest in the Assets;

(e) An officers' certificate for TDC as to the Articles of Incorporation and Bylaws of TDC, the resolutions adopted by the Board of Directors and sole shareholder of TDC authorizing the execution and delivery of this Agreement and the transactions contemplated hereby, and the incumbency of certain officers of TDC;

(f) An officers' certificate for BFM as to the Certificate of Incorporation and Bylaws of BFM, the resolutions adopted by the Board of Directors of BFM authorizing the execution and delivery of this Agreement and the transactions contemplated hereby, and the incumbency of certain officers of BFM;

(g) A Roller Bearing Holding Company, Inc. Stock Subscription and Shareholder Agreement, in substantially the form of Exhibit 1.4(g) attached hereto, executed by TDC; and

(h) All other documents, instruments and writings required by this Agreement to be delivered by TDC at the Closing or otherwise reasonably requested by Buyer to complete the transactions contemplated hereby.

1.5. Deliveries by Buyer at the Closing. At the Closing, Buyer shall deliver the following to TDC:

(a) By wire transfer of immediately available funds to the account of TDC designated in writing to Buyer prior to the date hereof, the amount of the cash portion of the purchase price set forth in Section 1.2(a) hereof;

(b) An Assumption Agreement executed by Buyer in substantially the form attached hereto as Exhibit 1.5(b);

(c) The Lease executed by Buyer;

(d) A certificate representing the RBC Preferred Shares issued to TDC;

(e) An officers' certificate for Buyer as to the Certificate of Incorporation and Bylaws of Buyer, the resolutions adopted by the Board of Directors and sole stockholder of Buyer authorizing the execution and delivery of this Agreement, the Assumption Agreement and the Lease and the transactions contemplated hereby and thereby and the incumbency of certain officers of Buyer;

(f) An officers' certificate for RBC as to the Certificate of Incorporation and Bylaws of RBC, the resolutions adopted by the Board of Directors of RBC authorizing the execution and delivery of this Agreement, the filing with the Secretary of State of the State of Delaware of the Certificate of Designations, the issuance of the Preferred Shares to TDC and the transactions contemplated hereby and the incumbency of certain officers of RBC;

(g) An opinion of Gibson, Dunn & Crutcher, special counsel to RBC, in substantially the form of Exhibit 1.5(g) attached hereto, dated as of the date hereof and addressed to TDC; and

(h) All other documents, instruments and writings required by this Agreement to be delivered by Buyer at the Closing or otherwise reasonably requested by TDC to complete the transactions contemplated hereby.

2. Representations and Warranties of TDC.

TDC represents and warrants to, and agrees with, Buyer as follows:

2.1. Organization of TDC; Authorization. TDC is a corporation duly organized, validly existing and in good standing under the laws of the State of California with full corporate power and corporate authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of TDC and this Agreement constitutes a legally valid and binding obligation of TDC, enforceable against TDC in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

2.2. No Conflict. Neither the execution and delivery of this Agreement nor the sale of the Assets to Buyer will (a) violate any provision of the Articles of Incorporation or Bylaws of TDC or (b) violate, conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any material agreement or commitment to which TDC is a party or (c) to the best knowledge of TDC, violate any material statute or law or any judgment, decree, order, regulation or rule of any court or other Governmental Body applicable to TDC.

2.3. Government Consents and Approvals. Except as set forth in Schedule 2.3 attached hereto, no consent, license, permit, approval or authorization of, or declaration, filing or registration, or any novation or assignment of any contract, with, any Governmental Body is required to be obtained by TDC in connection with its execution and delivery of this Agreement or the sale of the Assets to Buyer.

2.4. Financial Statements. TDC has delivered to Buyer: (a) an unaudited balance sheet of TDC as at October 31, 1991 and unaudited statements of income and cash flow for the fiscal year then ended, and (b) an unaudited balance sheet of TDC as at August 31, 1992, and unaudited statements of income and cash flow for the ten months then ended, including in each case the notes thereto. The financial statements described in clause (a) of the preceding sentence are referred to collectively as the "TDC Financial Statements," the balance sheet as at August 31, 1992 is referred to as the "TDC Balance Sheet" and the financial statements described in clause (b) of the preceding sentence are referred to collectively as the "TDC Interim

Statements." The TDC Financial Statements and notes thereto present fairly the financial condition and results of operations of TDC as at the respective dates thereof and for the period therein referred to, in accordance with GAAP, except as otherwise disclosed therein. The TDC Interim Statements present fairly the financial condition and results of operations of TDC as at the date thereof and for the period therein referred to in accordance with GAAP on a basis consistent with the TDC Financial Statements, except that the TDC Interim Statements do not contain complete footnote disclosure and are subject to normal year-end adjustments, which will not be material.

2.5. Title to Properties. TDC has good and marketable title to all the Assets (including those reflected on the Balance Sheet, except for assets sold, consumed or otherwise disposed of in the ordinary course of business since the date of the Balance Sheet), and on the date hereof Buyer shall receive good and marketable title to the Assets, free and clear of all Encumbrances, except for (a) Encumbrances set forth in Schedule 2.5 attached hereto, (b) liens for taxes not yet due or being contested in good faith by appropriate proceedings (which proceedings, if any, are identified in Schedule 2.5) or (c) other Encumbrances which, individually or in the aggregate, do not (i) have a material adverse effect on the use of the asset in question or (ii) materially or adversely affect the value of the asset in question or the operation of the Business (the Encumbrances referred to in (a) through (c) above are collectively referred to herein as "Permitted Encumbrances"). Since the date of the Balance Sheet, TDC has not sold or disposed of any of its assets outside of the ordinary course of business. The Assets and the Excluded Assets comprise all of the assets, and the only assets, used by TDC in conducting the Business as presently operated.

2.6. No Undisclosed Liabilities. TDC has no liabilities or obligations that were not reflected or reserved against in the Balance Sheet, except for liabilities and obligations incurred since the date of the TDC Balance Sheet in the ordinary course of business and consistent with past practice.

2.7. Litigation. There is no claim, action, suit or proceeding by or before any court or Governmental Body pending or, to the best knowledge of TDC, threatened against TDC, nor does TDC know of any facts that would form the basis of any such claim, action, suit or proceeding.

2.8. Taxes

(a) TDC (and any affiliated group of which TDC is now or has been a member), has duly and timely filed with

the appropriate taxing authorities all returns (including, without limitation, information returns and reports) in respect of Taxes required to be filed through the date hereof. The information filed is complete and accurate in all material respects. Neither TDC, nor any group of which TDC is now or was a member, has requested any extension of time within which to file returns (including, without limitation, information returns) in respect of any Taxes.

(b) All Taxes in respect of periods beginning before the date hereof, have been paid, or an adequate reserve has been established therefor and TDC has no liability for such taxes in excess of the amounts so paid or reserves so established.

(c) (i) No deficiencies for Taxes have been claimed, proposed or assessed by any taxing or other governmental authority; (ii) there are no pending or threatened audits, investigations or claims for or relating to any liability in respect of Taxes, and there are no matters under discussion with any governmental authorities with respect to Taxes that are likely to result in an additional amount of Taxes; (iii) no issues have been raised in any pending or completed audit of TDC which could reasonably be expected to affect the tax liability of TDC for a taxable year which has either not been audited or as to which no audit is pending; (iv) audits of federal, state, and local returns for Taxes by the relevant taxing authorities have been completed for each period set forth in Schedule 2.8; (v) TDC has not been notified that any taxing authority intends to audit a return for any other period; and (vi) no extension of a statute of limitations relating to Taxes is in effect with respect to TDC, and no Tax lien has been filed by any Tax authority against any property or assets of TDC.

(d) TDC is not a "foreign person" as defined in Section 1445(f)(3) of the Code.

2.9. Absence of Certain Changes. Since the date of the Balance Sheet, (a) there has been no material adverse change in the business, financial condition, prospects or operations of TDC (other than changes resulting from general economic conditions and matters generally affecting companies engaged in businesses similar to TDC) and (b) the Business has been conducted by TDC only in the ordinary course and consistent with past practices.

2.10. Patents, Trademarks, Etc. Schedule 1.1(a)(x) sets forth a list of the Patent and Trademark Rights, which are all United States and foreign patents, registered trademarks, registered trade names, copyrights, and applications therefor owned or used by TDC in the

conduct of the Business. Except as disclosed in Part A of Schedule 2.10 attached hereto, (a) TDC owns (or possesses licenses or other rights to use) all material Patent and Trademark Rights necessary to the conduct of its business as currently conducted and (b) there are no existing or, to the best knowledge of TDC, threatened claims by any Person with respect to the use, or challenging the ownership, of the Patent and Trademark Rights by TDC. To the best knowledge of TDC, there is no material infringing use by any Person of the Patent and Trademark Rights and TDC has not granted a license or sub-license in the Patent and Trademark Rights to any third parties except for such licenses in the Trademark Rights granted to distributors, pursuant to those certain agreements, a complete list of which is contained in Part B of Schedule 2.10, as are necessary for such distributors to effectively advertise and sell TDC's goods.

2.11. Leases. Schedule 2.11 attached hereto contains a list of all real property leases and material personal property leases pursuant to which TDC is a party. All such leases are valid, binding and enforceable in accordance with their terms, and are in full force and effect, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting the rights of creditors generally; there are no existing material defaults (or events which, with notice or lapse of time or both, would constitute a material default) by TDC thereunder.

2.12. Contracts and Commitments. Except as set forth in Schedule 2.12, Schedule 2.11, Schedule 1.1(a)(ix) or Schedule 2.5, TDC is not a party to or bound by, and the Contracts shall not include, any written agreement, contract or commitment (a) having a remaining term of more than two years or providing for payments to or by TDC in excess of \$50,000; (b) providing for employment or the payment of any bonus or commission based on sales or earnings, or which contains any severance or termination pay liabilities or obligations; (c) with any union or other collective bargaining representative of its employees; (d) providing for or evidencing indebtedness for borrowed money; (e) providing for capital expenditures in excess of \$100,000 in the aggregate; (f) with an Affiliate; (g) with a distributor or dealer, franchiser, retail sales organization, sales agency or manufacturer's representative; or (h) granting any preferential rights to purchase any of TDC's assets, property or rights or requiring the consent of any party to the transfer to or assignment of such assets, properties or rights or expressly limiting or restricting the ability to transfer or assign such assets, property or rights other than in the ordinary course of business.

2.13. Status of Agreements. All Contracts are valid and in full force and effect and there are no existing material defaults (or events which, with notice or lapse of time or both, would constitute a material default) by TDC or, to the best knowledge of TDC, by any other party thereunder.

2.14. Pension and Employee Benefit Plans.

(a) Schedule 2.14 attached hereto lists each plan sponsored by BFM or TDC that covers employees of TDC and is subject to Part 6 of Title I of ERISA (the "Employee Plans"). Notwithstanding the foregoing, the term "Employee Plans" shall exclude the TDC Security 90 Plan for all purposes under this Agreement. True and complete copies of all Employee Plans have been delivered or made available to Buyer.

(b) Schedule 2.14 discloses each Multiemployer Plan to which TDC or any ERISA Affiliate has at any time within the last six years had an obligation to contribute or with respect to which it may be secondarily liable for withdrawal liability payments under Section 4201 of ERISA.

(c) Except as disclosed in Schedule 2.14 hereto, there has been no withdrawal by TDC or any of its ERISA Affiliates from any Multiemployer Plan within the past six years, and if a complete or partial withdrawal were to occur as of the Closing, there is no basis to expect that any withdrawal liability would be imposed on TDC, either primarily or secondarily, with respect to any Multiemployer Plan.

2.15. Compliance with Law. Except as set forth in Schedule 2.15, to the best knowledge of TDC, the Business has been operated by TDC in compliance in all material respects with all laws, rules, regulations and orders applicable to the Business (including, without limitation, any such laws, rules, regulations and orders pertaining to the discharge or release of any pollutants, contaminants, chemicals or industrial, toxic or hazardous materials into the environment), except for failures to comply that would not, individually or in the aggregate, have a Material Adverse Effect.

2.16. Labor Relations; Employees. TDC is not delinquent in any material payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by them to the date hereof or amounts required to be reimbursed to such employees, there is no unfair labor practice complaint against TDC pending before the National Labor Relations Board or any comparable state, local or foreign agency and

neither any grievance which might have a Material Adverse Effect nor any arbitration proceeding arising out of or under any collective bargaining agreement is currently pending. There is no strike, work stoppage, slowdown or other labor difficulty actually occurring or, to the knowledge of TDC, threatened against or directly affecting the operations of TDC.

2.17. Permits and Licenses. Schedule 2.17 lists, and TDC currently has in full force and effect, all governmental licenses and permits required for the conduct of the Business as now conducted, the absence of which would have a Material Adverse Effect, and within the past three years TDC has conducted its operations pursuant to then effective governmental licenses and permits.

2.18. Government Contracts.

(a) Government Contracts Compliance. With respect to each Government Contract or Bid to which TDC is a party, to the best knowledge of TDC, (i) TDC has complied with all material terms and conditions of such Government Contract or Bid, including all clauses, provisions and requirements incorporated expressly, by reference or by operation of law therein; (ii) TDC has complied with all requirements of any statute, rule, regulation, order or agreement pertaining to such Government Contract or Bid; (iii) all representations and certifications executed, acknowledged or set forth in or pertaining to such Government Contract or Bid were current, accurate and complete as of their effective date, and TDC has fully complied with all such representations and certifications; (iv) neither the U.S. Government nor any prime contractor, subcontractor or other person has notified TDC, either orally or in writing, that TDC has breached or violated any statute, rule, regulation, certification, representation, clause, provision or requirement; (v) no termination for convenience, termination for default, cure notice or show cause notice has been issued; (vi) no cost incurred by TDC has been questioned or disallowed; and (vii) no money due to TDC has been (or has been attempted to be) withheld or set off.

(b) Investigations and Audits. To the best knowledge of TDC, (i) neither TDC, any of TDC's Affiliates nor any of TDC's directors, officers, employees, agents or consultants is (or for the last five years has been) under administrative, civil or criminal investigation, indictment, audit or internal investigation with respect to any alleged irregularity, misstatement or omission arising under or relating to any Government Contract or Bid; (ii) neither TDC nor any of TDC's Affiliates has made a voluntary disclosure to the U.S. Government with respect to any alleged

irregularity, misstatement or omission arising under or relating to a Government Contract or Bid; (iii) there is no irregularity, misstatement or omission arising under or relating to any Government Contract or Bid that has led or could lead, either before or after the date hereof, to any of the consequences set forth in (i) - (ii) above or any other damage, penalty assessment, recoupment of payment or disallowance of cost.

(c) Financing Arrangements and Claims. To the best knowledge of TDC, there exists (i) no financing arrangement with respect to performance of any current Government Contract; (ii) no outstanding claim against TDC, either by the U.S. Government or by any prime contractor, subcontractor, vendor or other third party, arising under or relating to any Government Contract or Bid; (iii) no fact upon which such a claim may be based on the future; (iv) no dispute between TDC and the U.S. Government or any prime contractor, subcontractor or vendor arising under or relating to any Government Contract or Bid; and (v) no fact known by TDC over which such a dispute may arise in the future. To the best knowledge of TDC, TDC has no interest in any pending or potential claim against the U.S. Government or any prime contractor, subcontractor or vendor arising under or relating to any Government Contract or Bid.

(d) No Suspension or Debarment. Neither TDC nor any of its directors or officers, nor, to the best knowledge of TDC, any employee of TDC is (or for the last five years has been) suspended or debarred from doing business with the U.S. Government or has been declared nonresponsible or ineligible for U.S. Government contracting. TDC knows of no circumstances that, to the best knowledge of TDC, would warrant the institution of suspension or debarment proceedings or the finding of nonresponsibility or ineligibility on the part of TDC in the future.

2.19. Environmental Matters. Except as set forth in Schedule 2.19 attached hereto, no Environmental Condition relating to the Assets or the Business exists in violation of any Environmental Laws. For purposes of this Section 2.19, "Environmental Condition" means the existence, release, emission, discharge, generation, removal or disposition of any Hazardous Substance; "Hazardous Substance" means (i) any chemical, compound, material or substance that is defined, listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance", "hazardous material", "hazardous waste", "toxic substance" or "toxic pollutant", and (ii) asbestos, petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel and drilling fluids, produced waters, and other wastes associated with the exploration, development or production

of crude oil, natural gas, or geothermal resources; and "Environmental Laws" means any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise) and other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Environmental Condition (including, without limitation, CERCLA and the applicable provisions of the California Health and Safety Code and the California Water Code).

3. Representations and Warranties of Buyer.

Buyer represents and warrants to, and agrees with, TDC as follows:

3.1. Organization of Buyer; Authorization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and corporate authority to execute and deliver this Agreement, the Assumption Agreement and the Lease and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement, the Assumption Agreement and the Lease have been duly authorized by all necessary corporate action (including, but not limited to, approval by the Board of Directors) on the part of Buyer and each of this Agreement, the Assumption Agreement and the Lease constitutes a valid and binding obligation of Buyer, enforceable against it in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

3.2. No Conflict as to Buyer. Neither the execution and delivery of this Agreement, the Assumption Agreement or the Lease nor the performance of Buyer's obligations hereunder or thereunder will (a) violate any provision of the Certificate of Incorporation or Bylaws of Buyer, (b) violate, conflict with or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any agreement or commitment to which Buyer is party or (c) to the best knowledge of Buyer, violate any statute or law or any judgment, decree, order, regulation or rule of any court or other Governmental Body applicable to Buyer.

3.3. Investigation.

(a) Buyer has performed extensive due diligence and investigations with respect to TDC with the intention of forming its own conclusions regarding TDC (financial and otherwise) in response to the parties' express intention and agreement that as of the Closing

the sale hereunder shall be without representation or warranty of any kind (express or implied) regarding the Assets, except as set forth in this Agreement and the Bill of Sale. Buyer will rely solely on its own business judgment and investigation with respect to the Assets.

(b) In connection with Buyer's investigation of TDC, Buyer has received from TDC certain projections and other forecasts, including the projections and other forecasts contained in the Confidential Offering Memorandum provided to Buyer. Buyer acknowledges that TDC makes no representation or warranty with respect to such projections or forecasts.

3.4. Government Consents and Approvals. Except as set forth in Schedule 3.4 attached hereto, no consent, approval or authorization of, or declaration, filing or registration with any Governmental Body is required to be obtained by Buyer in connection with the execution and delivery of this Agreement, the Assumption Agreement or the Lease or the purchase of the Assets by Buyer.

4. Representations and Warranties of RBC.

RBC represents and warrants to, and agrees with, TDC as follows:

4.1. Organization of RBC; Authorization. RBC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and corporate authority to execute and deliver this Agreement, to issue the RBC Preferred Shares and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the issuance of the RBC Preferred Shares have been duly authorized by all necessary corporate action on the part of RBC and each of this Agreement and the Certificate of Designations constitutes the legally valid and binding obligation of RBC, enforceable against it in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

4.2. No Conflict as to RBC. Neither the execution and delivery of this Agreement nor the performance of RBC's obligations hereunder, the issuance of the RBC Preferred Shares nor the performance of the Certificate of Designations by RBC will (a) violate any provision of the Certificate of Incorporation or Bylaws of RBC, (b) violate, conflict with or constitute a default (or an event which, with notice or lapse of time or both, would constitute a

default) under any material agreement or commitment to which RBC is a party or (c) to the best knowledge of RBC, violate any material statute or law or any judgment, decree, order, regulation or rule of any court or other Governmental Body applicable to RBC.

4.3. RBC Preferred Shares. The RBC Preferred Shares, when they are issued, sold and delivered hereunder, shall be validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof. The terms, designations, powers, preferences and relative, participating, optional and other special rights and the qualifications, limitations and restrictions of the RBC Preferred Shares are as set forth in the Certificate of Designations.

4.4. Capital Structure. The authorized capital stock of RBC consists of (i) 200,000 shares of preferred stock, of which 150,000 shares are designated as Redeemable Exchangeable Cumulative Preferred Stock (the "Preferred Stock") and of which 123,319.534 shares are issued and outstanding immediately prior to the Closing. All such outstanding shares are duly authorized, validly issued, fully paid and nonassessable, and there are no preemptive rights to purchase or otherwise acquire any shares of Preferred Stock pursuant to RBC's Certificate of Incorporation or Bylaws.

4.5. No Prior Activities. RBC, since its inception, has not (a) engaged in any business, (b) entered into any agreements, contracts, guarantees, understandings or other commitments (written or oral) or (c) incurred any liabilities or become subject to any obligations of any nature (matured or unmatured, fixed or contingent), other than in connection with its formation, the Existing Stockholders Agreement, this Agreement or the transactions contemplated hereby or thereby or actions taken in its capacity as the sole stockholder of Roller Bearing, including actions taken in connection with the financing of the operations and acquisition of Roller Bearing and its direct and indirect wholly owned subsidiaries.

4.6. Financial Statements. RBC has delivered to TDC: (a) substantially final drafts of an audited consolidated balance sheet of RBC and Roller Bearing as at March 31, 1992 (the "RBC Audited Balance Sheet") and related consolidated statements of income and cash flow for the fiscal year then ended (the "RBC Audited Statements"), and (b) an unaudited consolidated balance sheet of RBC and Roller Bearing as at August 31, 1992 (the "RBC Unaudited Balance Sheet") and unaudited statements of income and cash flow for the five months then ended (together with the RBC Unaudited Balance Sheet, the "RBC Unaudited Statements"),

including, with respect to each of items (a) and (b) above, the notes thereto. To the best knowledge of RBC, the RBC Audited Statements and notes thereto present fairly the financial condition and results of operations of RBC and Roller Bearing, respectively, as at the date thereof and for the period therein referred to, in accordance with GAAP; provided, however, that RBC did not prepare such statements, although in the ordinary course of RBC's business it has not discovered any fact that would cause RBC to believe that such statements and notes do not present fairly such financial condition and results of operation or were not prepared in accordance with GAAP. To the best knowledge of RBC, the RBC Unaudited Statements present fairly the financial condition and results of operations of RBC and Roller Bearing, respectively, as at the date thereof and for the period therein referred to in accordance with GAAP on a basis consistent with the RBC Audited Statements, except that such Unaudited Statements do not contain complete footnote disclosure and are subject to normal year-end adjustments, which will not be material. Neither RBC nor Roller Bearing has any liabilities or obligations that were not reflected or reserved against in the RBC Unaudited Balance Sheet, except liabilities and obligations incurred since the date of the RBC Unaudited Balance Sheet in the ordinary course of business and consistent with past practice.

4.7. Litigation. There is no claim, action, suit or proceeding by or before any court or Governmental Body pending or, to the best knowledge of RBC, threatened against RBC or Roller Bearing that could have a material adverse effect on the financial condition, prospects or affairs of RBC or Roller Bearing.

4.8. Subsidiaries and Affiliates. RBC is the legal and beneficial owner of all of the issued and outstanding capital stock of Roller Bearing. Roller Bearing is the legal and beneficial owner of all of the issued and outstanding capital stock of Buyer. RBC has no Subsidiaries other than Roller Bearing and the Subsidiaries of Roller Bearing.

4.9. Nonforeign Status. RBC is not a "foreign person" as defined in Section 800.211 of the regulations proposed by the United States Department of the Treasury under Section 721 of the Defense Production Act of 1950, as amended.

5. Covenants by Buyer and TDC.

5.1. Employees.

(a) Effective as of the Closing, Buyer shall offer employment to all persons who are employees of TDC immediately prior to the Closing on terms of employment and compensation comparable to that received by such employees immediately prior to the Closing; provided, however, that "compensation" for this purpose shall not be deemed to include benefits under any employee benefit plan within the meaning of Section 3(3) of ERISA and provided further that such employees shall not be third party beneficiaries of this Agreement and shall remain terminable at will. All employees of TDC who accept employment with Buyer shall be referred to herein as "Transferred Employees." Effective as of the Closing, Buyer shall assume sponsorship for the Employee Plans (as defined in Section 2.14(a)), and shall be responsible for all liabilities arising under such plans on or after the Closing, but shall be permitted to amend or terminate any of such plans at any time after the Closing. Buyer agrees that it shall use its reasonable efforts to cause the insurer under the Employee Plans to give Transferred Employees full credit under the Employee Plans for all expenses incurred by Transferred Employees and their beneficiaries under the benefit deductible and co-payment provisions of the Employee Plans. Buyer agrees that it shall be liable for any continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") (i) imposed as the result of a "Qualifying Event" (as that term is defined in ERISA Section 603 or Code Section 4980B(f)(3)) that occurs on or after the Closing with respect to any Transferred Employee or (ii) imposed under the Employee Plans for any period extending beyond the Closing with respect to a Qualifying Event which occurred on or before the Closing, provided that TDC (or the plan administrator appointed by it) has met all relevant notice requirements under Section 606 of ERISA or Section 4980B(f)(6) of the Code pertaining to any Covered Employee or Qualified Beneficiary (as such terms are defined in Section 607 of ERISA and Sections 4980B(f) and (g) of the Code) affected by such Qualifying Event. Furthermore, Buyer shall indemnify BFM and TDC for any liability or penalty imposed under COBRA (i) with respect to any Transferred Employee as the result of a Qualifying Event that occurs on or after the Closing, and (ii) with respect to any employee of TDC (including TDC employees who are not Transferred Employees) who is eligible to receive continuation coverage under the Employee Plans in accordance with COBRA for any period of time extending beyond the Closing, but excluding any purposes of this Section 5.1(a) any liability for which BFM and TDC are liable under Section 6.3(e).

(b) Buyer understands that certain employees of TDC have accrued benefits in the LS, Inc. Plan and that in accordance with Section 9.02(b)(2) of that agreement between BFM Acquisition Corp. and Lear Siegler Aerospace Products Holding Corp., dated July 30, 1987, the LS, Inc. Plan provides (i) that certain service by employees of BFM and its Affiliates is taken into account for purposes of vesting (but not benefit accrual) under the LS, Inc. Plan and (ii) that certain compensation of employees of BFM and its Affiliates is used in computing the benefit of such employees under the LS, Inc. Plan ("Rollup Agreement"). BFM, TDC and Buyer agree that any benefits payable under the Rollup Agreement are an obligation solely of the LS, Inc. Plan and neither BFM, TDC nor Buyer shall have any liability for any benefits payable as a result of the Rollup Agreement and that neither BFM, TDC nor Buyer is responsible in any way for any effect on benefits otherwise payable under the Rollup Agreement caused by the transactions contemplated under this Agreement. Buyer agrees that it shall notify LS, Inc. or its designee promptly after the end of each calendar year and at such other times at LS, Inc. or its designee may reasonably request as to the employment status of each Transferred Employee (as defined in Section 5.1) who has an accrued benefit under the LS, Inc. Plan.

5.2. Business Records and Files. For a period of five years with respect to Tax records of TDC and three years with respect to other business records of TDC from and after the date hereof:

(a) Buyer shall not dispose of or destroy any of such records and files of the Business without first offering to turn over possession thereof to TDC by notice to TDC at least 30 days prior to the proposed date of such disposition or destruction.

(b) Buyer shall allow TDC and its agents access to all such records and files of TDC that are transferred to Buyer in connection herewith for any reasonable purpose upon 10 business days notice that sets forth the documents to be reviewed and the purpose for such review, during normal working hours at Buyer's principal place of business or at any location where such records are stored, and TDC shall have the right, at its own expense, to make copies of any such records and files; any such access or copying shall be had or done in such a manner so as not to interfere with the normal conduct of Buyer's business.

5.3. Tax Worksheets. Within three months after the date hereof, Buyer shall prepare and deliver to BFM, at the sole expense of Buyer, tax worksheets as at the date hereof of the type customarily prepared by TDC prior to the

date hereof, for the purpose of enabling BFM and TDC to file Tax Returns for tax periods ending prior to the date hereof.

5.4. Delivery of Financial Statements. Until such time as the RBC Preferred Shares have been redeemed in full, RBC shall furnish to TDC annual financial information in the form and at the same time as such information is supplied to any creditor to which RBC is obligated to provide such information or, if RBC is not obligated to deliver annual financial information to any creditor, RBC shall provide TDC a balance sheet as of each fiscal year end of RBC and a statement of operations and cash flows for each such fiscal year then ended, prepared in accordance with GAAP within 90 days after the end of each such fiscal year.

5.5. Sales Taxes Arising from Sale of Assets. Buyer shall be liable for the payment of any and all sales taxes arising out of or related to the transfer of the Assets by TDC to Buyer hereunder. Seller shall be liable for the payment of any and all sales taxes arising out of or related to TDC's operation of the Business through the date hereof.

5.6. Sales Tax Clearance Certificate. After the date hereof, Buyer intends to file a request with the California State Board of Equalization (the "Board") for a sales tax clearance certificate as to the satisfaction by TDC of all sales and use tax liability arising from TDC's operation of the Business through the date hereof. TDC will use its reasonable efforts to cooperate with Buyer in connection with Buyer's efforts to obtain such certificate, including, without limitation, making its records available to the Board for audit upon its request.

5.7. Mail and Other Communications. After the date hereof, Buyer shall forward to TDC all mail, telegrams and other communications, and all express or other packages, addressed to TDC or its agents, promptly after Buyer's receipt thereof. TDC thereupon shall promptly return to Buyer any and all of the same to the extent they relate to the Assets or the Assumed Liabilities.

5.8. Governmental Contract Novations. After the date hereof, TDC shall use its reasonable efforts to assist Buyer in obtaining all necessary novations to the Government Contracts and any and all other approvals as may be reasonably requested by Buyer in connection with the transfer and assignment of the Government Contracts to Buyer hereunder and TDC shall take such other actions as may be reasonably requested by Buyer in connection therewith.

6. Survival of Representations and Warranties; Indemnification.

6.1. Survival. Subject to Section 6.2 hereof, all representations, warranties and agreements contained in this Agreement shall survive the Closing.

6.2. Time Limitations. Neither BFM nor TDC shall have any liability (for indemnification or otherwise) with respect to any representation or warranty or any claim under Section 6.3(h) hereof, unless on or before the first anniversary of the date hereof (or the second anniversary of the date hereof, in the case of a claim with respect to the breach of Section 2.19 or any claim under Section 6.3(h) hereof), TDC and BFM are given notice asserting a claim with respect thereto and specifying the factual basis of that claim in reasonable detail to the extent then known by Buyer. Neither RBC nor Buyer shall have any liability (for indemnification or otherwise) with respect to any representation or warranty unless on or before the first anniversary of the date hereof, Buyer and RBC are given notice of a claim with respect thereto and specifying the factual basis of that claim in reasonable detail to the extent then known by TDC.

6.3. Indemnification by BFM and TDC. BFM and TDC shall indemnify and hold harmless Buyer, and shall reimburse Buyer for, any debt, obligation, claim, loss, liability, damage or expense (including, but not limited to, costs of investigation and defense and reasonable attorneys' fees) (collectively, "Damages") relating to, arising from or in connection with (a) any inaccuracy in any of the representations and warranties of TDC in this Agreement, (b) any failure by TDC to perform or comply with any agreement contained in this Agreement, (c) the operation of the Business prior to and on the date hereof other than the Assumed Liabilities and other than claims for breach of warranty or product liabilities (except as specified in clause (d) of this Section 6.3), (d) all claims made, whether on, after or prior to the date hereof, for breach of warranty or product liability arising out of (i) products shipped by TDC on or prior to the date hereof and (ii) products shipped by Buyer after the date hereof with respect to which Buyer provides TDC with written or other reasonable evidence that such products were manufactured by TDC and constituted finished goods on or prior to the date hereof, (e) any liability or claim of liability arising from the failure of TDC or BFM to comply with the continuation coverage requirements of Sections 601 through 608 of ERISA regarding continued insurance coverage with respect to any Qualifying Event occurring prior to the Closing under the Employee Plans, (f) any and all sales and payroll tax liabilities arising out of TDC's operation of the Business through the date hereof, (g) the remaining 50% of the amount

of the liability, if any, not assumed by Buyer pursuant to Section 1.1(b) hereof, for severance payments or termination benefits owing to Frank E. Cole pursuant to that certain Termination Benefits Agreement, dated January 31, 1990, by and between TDC and Frank E. Cole, and (h) the existence or occurrence of any Environmental Condition in violation of any Environmental Law relating to the Business or the Premises prior to the Closing, except to the extent that such Environmental Condition continues to exist solely because of the operation of Buyer's business on the premises.

6.4. Indemnification by RBC and Buyer. RBC and Buyer shall indemnify and hold harmless TDC, and shall reimburse TDC for, any Damages relating to, arising from or in connection with (a) any inaccuracy in any of the representations and warranties of Buyer in this Agreement, and (b) any failure by Buyer to perform or comply with any covenant or agreement contained in this Agreement, (c) the Assumed Liabilities, (d) the operation of the Business after the date hereof, including, without limitation, the performance of the Government Contracts, (e) all claims made after the date hereof for breach of warranty or product liability arising out of products shipped by Buyer after the date hereof with respect to which Buyer is unable to provide to TDC written or other reasonable evidence that such products were manufactured by TDC and constituted finished goods on or prior to the date hereof, (f) any and all sales taxes arising out of or related to the transfer of the Assets by TDC to Buyer hereunder, and (g) liability imposed on TDC or BFM for benefit payments under the TDC Severance Policy on account of the termination of any Transferred Employee of TDC occurring on or after the Closing. RBC shall indemnify and hold harmless TDC, and shall reimburse TDC for, any Damages relating to, arising from or in connection with any inaccuracy in any of the representations and warranties of RBC in this Agreement and any failure by RBC to perform or comply with any covenant or agreement contained in this Agreement.

6.5. Limitations as to Amount. Neither BFM nor TDC shall have any liability with respect to any claim made by Buyer pursuant to Section 6.3 until the total of all Damages exceeds \$100,000 in the aggregate, at which time BFM and TDC shall be liable only for the amount by which such Damages exceed \$100,000 in the aggregate. Neither RBC nor Buyer shall have any liability with respect to any claim made by TDC pursuant to Section 6.4 until the total of all Damages exceeds \$50,000 in the aggregate, at which time Buyer and/or RBC shall be liable only for the amount by which such Damages exceed \$50,000 in the aggregate. BFM and TDC's collective aggregate liability with respect to matters described in Section 6.3 shall be limited to the amount of

the cash portion of the purchase price set forth in Section 1.2 hereof.

6.6. Brokers. RBC and Buyer shall indemnify and hold harmless TDC, and shall reimburse BFM and TDC for, and TDC shall indemnify and hold harmless Buyer, and shall reimburse Buyer for, all Damages resulting from any claims made by any Person for brokerage or finder's fees or commissions in connection with the transactions contemplated by this Agreement based on any agreement or understanding alleged to have been made by such Person with RBC and Buyer or its Affiliates (in the case of Buyer as the indemnifying party) or BFM and TDC or its Affiliates (in the case of TDC as the indemnifying party).

6.7. Bulk Sales Law. The parties agree to waive compliance with the provisions of the bulk transfer and bulk sales laws of any applicable state or jurisdiction (the "Bulk Sales Laws") in connection with the purchase and sale of the Assets hereunder. RBC and Buyer shall indemnify and hold harmless TDC, and shall reimburse TDC for, any Damages that TDC may suffer as a result of or due to noncompliance with the provisions of the Bulk Sales Law insofar as they relate to any of the Assumed Liabilities. BFM and TDC shall indemnify and hold harmless Buyer, and shall reimburse Buyer for, any Damages that Buyer may suffer as a result of or due to noncompliance with the provisions of the Bulk Sales Law insofar as they relate to liabilities of TDC other than the Assumed Liabilities.

6.8. Procedure for Indemnification. Promptly after receipt by an indemnified party under Section 6.3, 6.4, 6.6 or 6.7 of notice of the commencement of any action brought by a third party, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under such section, give notice to the indemnifying party of the commencement thereof. In case any such action shall be brought against an indemnified party and it shall give notice to the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such section for any fees of other counsel or any other expenses, in each case subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation. If an indemnifying party assumes the defense of such an action, no compromise or settlement thereof may be effected by the indemnifying party without the indemnified party's consent

(which shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of law or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party and (ii) the sole relief provided is monetary damages that are paid in full by the indemnifying party. In any event, the indemnifying party shall have no liability with respect to any compromise or settlement thereof effected without its consent (which shall not be unreasonably withheld).

7. Definitions.

As used in this Agreement, the following terms have the meanings specified or referred to in this Section 7:

"Affiliate" -- A Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another Person.

"Assets" -- See Section 1.1(a).

"Assumed Liabilities" -- See Section 1.1(b).

"Business" -- See Section 1.1(a)(vii).

"Business Day" -- Any day that is not a Saturday or Sunday or a day on which banks located in the City of Los Angeles are authorized or required to be closed.

"Buyer" -- See the first paragraph of this Agreement.

"Closing" -- See Section 1.3.

"Code" -- The Internal Revenue Code of 1986, as amended.

"Company Pension Plan" -- Each employee pension benefit plan within the meaning of Section 3(2) of the ERISA, covered by Part 2 of Title I of ERISA, excluding multiemployer plans within the meaning of Section 3(37) of ERISA maintained within the last six years of TDC or any of its ERISA Affiliates.

"Company Welfare Plan" -- Each employee welfare benefit plan within the meaning of Section 3(1) of ERISA maintained by TDC or any of its ERISA Affiliates.

"Contracts" -- See Section 1.1(a)(ix).

"Damages" -- See Section 6.3.

"Employee Benefit Plans" -- Each Company Pension Plan, Company Welfare Plan and each other profit sharing, group insurance, bonus, deferred compensation, stock option, severance pay, insurance, pension or retirement plan or written agreement relating to employment or "fringe benefits" for employees or officers of TDC.

"Employee Plans" -- See Section 2.14.

"Encumbrance" -- Any security interest, mortgage, lien, charge or other adverse claim.

"ERISA" -- The Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" -- Any company that, as of the relevant measuring date under ERISA, is a member of a controlled group of corporations or under common control with TDC within the meaning of Section 414 of the Code.

"Excluded Assets" -- See Section 1.1(a).

"GAAP" -- Generally accepted accounting principles in the United States, consistently applied.

"Governmental Body" -- Any domestic or foreign national, state or municipal or other local government or multi-national body, any subdivision, agency, commission or authority thereof, or any quasi-governmental or private body exercising any regulatory or taxing authority thereunder.

"Government Contract" or "Government Contract or Bid" -- Any contract with an agency or instrumentality of the U.S. government and all U.S. government sub-contracts.

"IRS" -- See Section 2.14.

"Material Adverse Effect" -- A material adverse effect on the Assets or on the financial condition, prospects or affairs of the Business.

"Multiemployer Plan" -- Each multiemployer plan within the meaning of Section 3(37) of ERISA.

"PBGC" -- See Section 2.14(i).

"Patent and Trademark Rights" -- See Section 1.1(a)(x).

"Permitted Encumbrances" -- See Section 2.5.

"Person" -- Any individual, corporation, partnership, joint venture, trust, association, unincorporated organization, other entity or Governmental Body.

"Plans" -- See Section 2.14.

"Premises" -- See Section 1.1(a)(vi).

"Subsidiary" -- With respect to any Person, any corporation of which securities having the power to elect a majority of that corporation's Board of Directors (other than securities having that power only upon the happening of a contingency that has not occurred) are held by such Person or one or more of its Subsidiaries.

"Taxes" -- All taxes, charges, fees, levies, interest, penalties, additions to tax or other assessments, including, but not limited to, income, excise, property, sales, use, value added and franchise taxes, imposed by any Governmental Body.

"Tax Returns" -- Any return, report, information return or other document (including any related or supporting information) filed or required to be filed with any Governmental Body in connection with the determination, assessment or collection of any Taxes or the administration of any laws, regulations or administrative requirements relating to any Taxes.

"TDC" -- See the first paragraph of this Agreement.

"TDC Balance Sheet" -- See Section 2.5.

"TDC Financial Statements" -- See Section 2.5.

"TDC Interim Statements" -- See Section 2.5.

8. Notices.

All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when (a) delivered by hand, (b) sent by telecopier (with receipt confirmed), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by Express Mail, Federal Express or other express delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate as to itself by notice to the other parties):

(a) If to Buyer or RBC:

Roller Bearing Holding Company, Inc.
c/o TRIBOS Management Company, Inc.
1800 Century Park East, Suite 1000
Los Angeles, California 90067
Telecopier No.: (310) 277-5591
Attention: Mr. Richard R. Crowell

with a copy to:

Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071
Telecopier No.: (213) 229-7520
Attention: Terrance L. Carlson, Esq.

(b) If to BFM or TDC:

c/o Oak Hill Partners, Inc.
65 East 55th Street
32nd Floor
Telecopier No.: (212) 421-4578
Attention: Mr. Anthony P. Scotto

with a copy to:

O'Melveny & Myers
610 Newport Center Drive, 17th Floor
Newport Beach, California 92660-6429
Telecopier No.: (714) 669-6994
Attention: Gary J. Singer, Esq.

9. Jurisdiction; Service of Process.

9.1. Jurisdiction. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of California, or, if it has or can acquire jurisdiction, in the United States District Court for the Central District of California, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any obligation to venue laid therein.

9.2. Service of Process. Process in any action or proceeding referred to in Section 9.1 may be served on any party anywhere in the world, whether within or without the State of California.

10. Miscellaneous.

10.1. Expenses. Each party shall bear its own expenses incident to the preparation, negotiation, execution and delivery of this Agreement and the performance of its obligations hereunder.

10.2. Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of this Agreement.

10.3. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

10.4. Exclusive Agreement; Amendment. This Agreement supersedes all prior agreements among the parties with respect to its subject matter (other than any confidentiality agreement), is intended (with the documents referred to herein) as a complete and exclusive statement of the terms of the agreement among the parties with respect thereto and cannot be changed or terminated orally.

10.5. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

10.6. Governing Law. This Agreement and (unless otherwise provided) all amendments hereof and waivers and consents hereunder shall be governed by the internal law of the State of California, without regard to the conflicts of law principles thereof.

10.7. Representation By Counsel; Interpretation. BFM, TDC, RBC and Buyer each acknowledges that it has been represented by legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, including but not limited to Section 1654 of the California Civil Code, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Buyer, BFM, RBC and TDC.

10.8. Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, no party (or its Affiliates) shall, in any event, be liable to the other

party (or its Affiliates) for any consequential damages, including, but not limited to, loss of revenue or income, cost of capital, or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement. Each party agrees that it will not seek punitive damages as to any matter under, relating to or arising out of this Agreement.

10.9. Further Assurances; Knowledge.

(a) **Further Assurances.** Each party shall execute and deliver both before and after the Closing such further certifications, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement the transactions contemplated hereby or to evidence such events or matters.

(b) **Knowledge.** As used in this Agreement, the terms "knowledge" or "knowledge and belief" when used with respect to any party shall mean the actual "knowledge" or actual "knowledge and belief" of any one or more of the executive officers of such party.

10.10. Permitted Assignment. Notwithstanding anything herein to the contrary, Buyer and RBC are permitted to grant to Heller Financial, Inc., a Delaware corporation, for the benefit of the Lenders (as defined in the Amended and Restated Credit Agreement, dated as of October 26, 1992) a continuing security interest in and to all right, title and interest of Buyer and RBC in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date and year first written above.

BFM AEROSPACE CORPORATION

By: _____

Title: Secretary

BFM TRANSPORT DYNAMICS CORPORATION

By: _____

Title: Secretary

RBC TRANSPORT DYNAMICS CORPORATION

By: _____

Title: President & CEO

ROLLER BEARING HOLDING COMPANY, INC.

By: _____

Title: President & CEO

Schedule 1.1(a)(x)

Patent and Trademark Rights

See also Section 2.10

1. U. S. Patents

<u>U.S. Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
No. 4,080,015	March 21, 1978	Sealed Bearing

2. U. S. Trademark Registrations

<u>Trademark</u>	<u>Registration No.</u>	<u>Expiration Date**</u>
DYNASPHERE	781,731	12-15-2004
FABROID	651,079	09-03-1997
FIBERGLIDE	703,508	08-30-2000
FIBRILEX	1,081,557	01-10-1998
FIBRILOID	1,005,036	02-18-1995
THERMALOID	1,617,323	10-16-2000

3. Foreign Trademark Registrations

<u>Country</u>	<u>Trademark</u>	<u>Regis. No.</u>	<u>Expiration Date**</u>	<u>Class of Goods</u>
*Argentina	FABROID	1,150,953	07-01-1995	Bearings (#6)
*Argentina	FABROID	1,150,954	07-01-1995	Bearings (#7)
*Argentina	FABROID	1,150,956	07-01-1995	Bearings (#12)
*Argentina	FIBERGLIDE	1,150,955	07-01-1995	Bearings (#6)
*Argentina	FIBERGLIDE	1,150,957	07-01-1995	Bearings (#7)
*Argentina	FIBERGLIDE	1,150,958	07-01-1995	Bearings (#12)
Australia	FABROID	A186,490	03-13-1999	Bearings (#7)
Australia	FABROID	A196,586	03-13-1999	Bearings (#12)
Australia	FIBERGLIDE	186,488	08-13-1999	Bearings (#7)

Schedule 1.1(a)(x) (continued)

<u>Country</u>	<u>Trademark</u>	<u>Regis. No.</u>	<u>Expiration Date**</u>	<u>Class of Goods</u>
Australia	FIBERGLIDE	196,587	08-13-1999	Bearings (#12)
Canada	FABROID	137,562	10-02-1994	Bearings
Canada	FIBERGLIDE	123,503	08-09-2006	Bearings
Canada	FIBRILOID	211,048	01-06-2006	Bearings
Italy	FABROID	459,737	04-09-2004	Bearings (#1,7,17)
Italy	FIBERGLIDE	291,535	02-14-1993	Bearings (#6,7)
Italy	FIBRILOID	299,376	10-25-1993	Bearings
Japan	FABROID	678,008	06-11-1995	Bearings (#9)
Sweden	FIBERGLIDE	113,762	08-13-1995	Bearings (#7)
U.K.	FIBERGLIDE	819,203	04-07-1996	Bearings (#7)
U.K.	THERMALOID	1,400,234	10-16-2000	Bearings
W. Germany	FABROID	810,100	03-13-1994	Bearings
W. Germany	FIBERGLIDE	757,565	04-05-2001	Bearings (#6,7,12,17)
W. Germany	FIBRILOID	939,229	11-14-1993	Bearings (#7)

* Argentina has not provided formal recording documents for the trademarks listed herein:

(a) FABROID®, and

(b) FIBERGLIDE®

Argentina has advised TDC that all documents have been filed and reports are expected to be received in the near future from the patent and trademark office.

** The expiration dates listed herein are provided for reference purposes only and should not be considered as representations as to their accuracy.